

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 PM-03 CIAE-00 INR-07 NSAE-00

COME-00 TRSE-00 SCA-01 PPT-01 L-02 /028 W

----- 023428

R 132351Z FEB 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6202

C O N F I D E N T I A L MEXICO CITY 1366

E.O. 11652: GDS

TAGS: MX, CU, ESTC, CPAS

SUBJECT: U.S. PROBLEMS WITH GOM IN TRADE WITH CUBA

1. PLANS OF INDUSTRIAS RESISTOL, S.A. (MONSANTO HOLDS MINORITY INTEREST) TO SELL VARIOUS CHEMICALS TO CUBA OUTLINED TO EMBASSY THIS MORNING BY RESIDENT AMERICAN VICE PRESIDENT OF FIRM, SALVADORE P. LIO. INDUSTRIAS RESISTOL IS OWNED 39 PERCENT BY MONSANTO AND HAS ENTIRE MEXICAN MANAGEMENT APART FROM AMERICAN VICE PRESIDENT CONSULTANT. AS WAS CASE WITH OTHER MANUFACTURERS, THIS FIRM WAS INVITED TO PARTICIPATE IN NEXT MONTH'S MEXICAN TRADE FAIR IN CUBA AND COMPANY IS MOST INTERESTED IN DOING SO.

2. FIRM'S SITUATION SOMEWHAT DIFFERENT FROM THAT REPORTED IN SEPTELS FOR OTHER COMPANIES. INDUSTRIAS RESISTOL HAS MINORITY U.S. PARTICIPATION AND U.S. COMPANY CAN BE OUT VOTED ANYTIME, THOUGH THEY WISH TO AVOID EVEN INTERNAL SHOWDOWN.

3. FIRM WISHES TO SELL NUMBER OF CHEMICAL PRODUCTS; NAMELY, SAN COPOLYMERS, SAN MOLDING MATERIALS, AND OTHER PRODUCTS MADE ENTIRELY OF MEXICAN RAW MATERIALS. EMBASSY WAS GIVEN COPY OF FIRM'S AGREEMENT WITH MONSANTO. MEXICAN FIRM APPARENTLY AGREED NOT TO EXPORT TECHNICAL DATA OR THE PRODUCTS THEREOF TO A NUMBER OF DESTINATIONS, INCLUDING CUBA. AMERICAN VICE PRESIDENT INFORMED EMBASSY THAT MONSANTO LAWYERS  
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IN THE U.S. HAD MADE THE DETERMINATION AND HAD SO INFORMED

U.S. TREASURY THAT PROHIBITION ON EXPORT COVERED TECHNICAL DATA BUT NOT PRODUCTS THEREOF. FIRM IS MAKING NO EFFORT TO SELL TO CUBA SODIUM TRIPOLY PHOSPHATE BECAUSE PHOSPHATE RAW MATERIALS FROM THE U.S. INVOLVED.

4. INDUSTRIAS RESISTOL, S.A., HAS BEEN INFORMED OF MONSANTO'S LAWYERS' VIEWS, AND PLANS TO SEND REPRESENTATIVE TO CUBA TO PREPARE TO TAKE ORDERS.

5. IN REPLY TO EMBASSY'S QUESTION AS TO VULNERABILITY UNDER GOM PRESSURE, MR LIO SAID THAT HIS FIRM WAS SOLE PRODUCER OF THESE PRODUCTS, BUT AS IN CASE WITH ALL MANUFACTURERS FIRM WAS EXTREMELY DEPENDENT ON GOOD WILL OF MEXICAN GOVERNMENT. HE POINTED OUT, AND EMBASSY CAN CONFIRM, THAT MONSANTO'S MINORITY PARTICIPATION IN MEXICAN FIRM AND USE OF TECHNOLOGY HAS BEEN HELD UP BY MEXICAN OFFICIALS AS MODEL FOR OTHER U.S. COMPANIES TO EMULATE. MONSANTO WOULD BE MOST RELUCTANT TO LOSE THIS GOOD WILL OVER CUBAN ISSUE.

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CHEMICALS  
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**Copy:** SINGLE  
**Draft Date:** 13 FEB 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Reason:**  
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